

Rural Utilities Service Programs

Farm Bill Broadband Loans & Loan Guarantee

What does this program do?

The Rural Broadband Access Loan and Loan Guarantee Program (Broadband Program) furnishes loans and loan guarantees to provide funds for the costs of construction, improvement, or acquisition of facilities and equipment needed to provide service at the broadband lending speed in eligible rural areas.

Who may apply for this program?

To be eligible for a broadband loan, an applicant may be either a non-profit or for-profit organization and must take one of the following forms:

- Corporation;
- Limited Liability Company(LLC);
- Cooperatives or mutual organization;
- A state or local unit of government;
- Indian tribe or tribal organization;

Individuals and Partnerships are not eligible.

Corporations that have been convicted of a felony (or had an officer or agent acting on behalf of the corporation convicted of a felony) within the past 24 months are not eligible. Any Corporation that has any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, is not eligible for financial assistance provided with funds appropriated by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. No. 112-55.

What is an eligible area?

Proposed funded service areas must be completely contained within rural area, as defined in the [Application Guidelines](http://www.rd.usda.gov/files/UTP_FarmBillBroadbandLoanAp), (http://www.rd.usda.gov/files/UTP_FarmBillBroadbandLoanAp

plicationGuide.pdf) or composed of multiple rural areas, and meeting the below criteria:

- At least 15 percent of the households in the proposed funded service area are unserved,
- No part of the proposed funded service area has three or more “incumbent service providers.”
- No part of the proposed funded service area overlaps with the service area of current RUS borrowers or the service areas of grantees that were funded by RUS.

The [Broadband Mapping Tool](https://broadbandsearch.sc.egov.usda.gov/bsa/servlet/mainAction.do?pageAction=Home)

(<https://broadbandsearch.sc.egov.usda.gov/bsa/servlet/mainAction.do?pageAction=Home>) provides guidance on what counts as rural areas under the program and can also identify where existing RUS borrowers and grantees are.

Communities where USDA Rural Utilities Service has previously provided funding for construction of broadband infrastructure may not be eligible. The eligibility [map](https://broadbandsearch.sc.egov.usda.gov/bsa/servlet/mainAction.do?pageAction=Home) can be found at <https://broadbandsearch.sc.egov.usda.gov/bsa/servlet/mainAction.do?pageAction=Home>.

How may funds be used?

Broadband loans and Loan Guarantees provide funding on a technology-neutral basis for financing:

- The construction, improvement, and acquisition of facilities required to provide service at the broadband lending speed including facilities required for providing other services through the same facilities
- The cost of leasing facilities required to provide service at the broadband lending speed if such lease qualifies as a capital lease under Generally Accepted Accounting Principles (GAAP)
- An acquisition, under certain circumstances and with restrictions
- For additional detail see 7 CFR 1735

What kind of funding is available?

- **Direct Loans:** Direct Loans can be either or combination of:
 1. Cost-of-Money Loans
 2. 4% Loans
- **Private Loan Guarantee**

What are the loan terms?

- In general Loan Terms are limited to the expected composite economic life of the assets to be financed plus 3 years.

How do we get started?

For more information or to obtain an application packet, visit the website at:

<http://www.rd.usda.gov/programs-services/farm-bill-broadband-loans-loan-guarantees>

Or write to your local or State USDA Rural Development office (see the U.S. Government listing in your phone directory under U.S. Department of Agriculture), or the National Office at:

USDA Rural Development Telecommunications Staff
U. S. Department of Agriculture
1400 Independence Ave.,
S.W., Room 5151 Mail STOP 1590 .
Washington, D.C. 20250-1590
Phone: (202) 720-9556
Fax: (202) 720-0810

Who can answer questions about this program?

- Contact our Loan Origination and Approval Division at (202) 720-0800
- Contact the [General Field Representative](#) at http://www.rd.usda.gov/files/UTP_TelecomGFRs.pdf who serves your area

Why does USDA Rural Development do this?

The Telecommunications Program increases economic opportunities and improves the quality of life for families and businesses in rural America by providing investment capital in the form of loans and loan-guarantees for the deployment, maintenance and improvement of telecommunications infrastructure in areas where commercial capital is not available. The program helps maintain a seamless nationwide telecommunications network that also provides access to broadband for education, healthcare, public safety and jobs for all Americans regardless of where they live. Expansion of modern broadband service is essential for rural America to be able to access Web-based information and services that will allow rural communities to compete in the global economy and offer the quality of life necessary to attract and retain residents and businesses.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact us at (202) 720-0800 for assistance.

You will find additional forms, resources, and program information at www.rd.usda.gov